

**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C.
20508**

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**FOR IMMEDIATE RELEASE
DECEMBER 21, 2001**

**01-116
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USTR Requests Public Input on U.S. Investigation of Canadian Wheat Practices

WASHINGTON - The Office of the United States Trade Representative is inviting public comment on its investigation into Canadian wheat trading practices and an associated report prepared by the U.S. International Trade Commission.

“Agriculture is a top priority for this Administration. The global trading system is moving towards lowering agricultural trade barriers, and the United States is leading this effort in the World Trade Organization,” said U.S. Trade Representative Robert B. Zoellick. “Due to the importance of this issue, particularly to U.S. wheat farmers, I want to ensure that everyone has the opportunity to provide relevant information and their views on the marketing practices of the Canadian Wheat Board.”

In response to a petition filed by the North Dakota Wheat Commission, USTR initiated a section 301 investigation on October 23, 2000, to determine whether the acts, policies or practices of the Government of Canada and the Canadian Wheat Board with respect to wheat trading are unreasonable and burden or restrict U.S. commerce. At the request of USTR, the U.S. International Trade Commission conducted an investigation under section 332 of the Tariff Act of 1930 to obtain information and provide analysis pertinent to the investigation of the Canadian Wheat Board. Also at the request of the USTR, to increase transparency, the ITC issued a public version of the 332 report on December 21, 2001.

The ITC report analyzes conditions of competition between U.S. and Canadian hard red spring and durum wheat in the United States market as well as eight third-country markets. In addition to summarizing surveys of U.S. wheat purchasers and exporters, the ITC report discusses current trade conditions for U.S. and Canadian wheat, key factors affecting competition between the United States and Canada, the effects of the Canadian Wheat Board and Canadian trade programs on U.S. wheat

trade, wheat pricing in the U.S. and export markets, and product quality and transportation issues that relate to marketing practices. All confidential business information provided to the ITC has been omitted from the public report.

In order to provide for a fully transparent process and an informed decision making process, public comments are being sought to ensure that all interested parties have an opportunity to provide information on the investigation and on the ITC 332 report. Interested persons are invited to submit written comments by January 14, 2002, on Canadian wheat marketing practices, as well as any other issues raised in the petition, the ITC report or in other submissions to USTR in this investigation. Further information on the procedures for submitting public comments appears in the December 21 Federal Register. The Federal Register and the ITC report may be accessed through the USTR website: www.ustr.gov.

As previously announced, USTR extended the 301 investigation until January 22, 2002, at the request of the North Dakota Wheat Commission and in order to ensure that USTR has sufficient time to review and analyze all of the information developed in the investigation.

Section 301 of the Trade Act of 1974, as amended (the Trade Act), is the principal U.S. statute for addressing foreign unfair practices affecting U.S. exports of goods or services. Section 301 may be used to enforce U.S. rights under bilateral and multilateral trade agreements and also may be used to respond to unreasonable, unjustifiable, or discriminatory foreign government practices that burden or restrict U.S. commerce. For example, Section 301 may be used to obtain increased market access for U.S. goods and services, to provide more equitable conditions for U.S. investment abroad, and to obtain more effective protection worldwide for U.S. intellectual property.

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